

SERVICE DATE - MARCH 17, 2016

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21075 TA

CAVALLO BUS LINES, LLC—ACQUISITION OF CONTROL OF ASSETS—WHITE
KNIGHT LIMOUSINE, INC.

Digest:¹ This decision grants a request for interim approval for Cavallo Bus Lines (Cavallo) to manage and operate certain assets of White Knight Limousine, Inc., pending approval of Cavallo's acquisition of those assets.

Decided: March 16, 2017

On March 8, 2017, Cavallo Bus Lines (Cavallo) and White Knight Limousine, Inc. (White Knight) (collectively, Applicants) applied for interim approval under 49 U.S.C. § 14303(i) and the Board's regulations at 49 C.F.R. § 1182.7(b) to permit Cavallo to manage and operate certain assets (including motorcoaches and contracts) of White Knight used to provide certain motor carrier services pending a decision on their concurrently filed application in Docket No. MCF 21075 for permanent approval for Cavallo to purchase and control those assets. Specifically, in the main transaction Cavallo seeks to purchase motorcoaches and contracts associated with White Knight's contract and charter service in Missouri and Kansas. As part of that purchase transaction, White Knight will sign a non-compete agreement prohibiting it from operating competing service for an agreed period and will provide Cavallo a right of first refusal if White Knight decides to sell its other transportation operations.

Applicants seek interim management and operational approval so that Cavallo may be ready to begin the seasonal service currently provided by White Knight to its university athletic department customers in Kansas and Missouri and the Springfield Cardinals, a minor league baseball team in Missouri. Thus, Applicants seek continued operations without service cessation or the loss or substantial devaluation of White Knight's assets. This will enable contract service to continue while Applicants' concurrently filed application for acquisition approval is pending. Applicants state that absent interim approval, there is a risk that White Knight's current customers may be forced to make other arrangements, which may devalue the assets that Cavallo seeks to acquire.

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

Under 49 U.S.C. § 14303(i)² and 49 C.F.R. § 1182.7(b), the Board finds that Applicants have demonstrated that failure to grant interim management and operational approval may result in the destruction of, or injury to, the properties being acquired or may substantially interfere with their future usefulness in providing adequate and continuous service to the public. The Board reminds Applicants that this interim approval is temporary and that Applicants are responsible for ensuring that White Knight's assets are protected so that they can be returned to White Knight if the Board ultimately denies Applicants' request for acquisition authority.

This action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

It is ordered:

1. Cavallo is authorized on an interim basis to manage and operate certain assets (including motorcoaches and contracts) of White Knight under 49 U.S.C. § 14303(i) and 49 C.F.R. § 1182.7. The application for acquisition authority will be addressed in a separate decision.

2. This decision is effective on its service date.

3. A copy of this decision will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue, S.E., Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue, S.E., Washington, DC 20590.

By the Board, Board Members Begeman, Elliott, and Miller.

² Section 14303(i) provides in relevant part as follows:

- (i) **Interim approval.**—Pending determination of an application filed under this section, the Board may approve, for a period of not more than 180 days, the operation of the properties sought to be acquired by the person proposing in the application to acquire those properties, when it appears that failure to do so may result in destruction of or injury to those properties or substantially interfere with their future usefulness in providing adequate and continuous service to the public.